

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Education to which was referred Senate Bill No. 122  
3 entitled “An act relating to increased flexibility for school district mergers”  
4 respectfully reports that it has considered the same and recommends that the  
5 House propose to the Senate that the bill be amended as follows:

6 **First:** In Sec. 1 (Findings), with its reader assistance, by striking out the  
7 reader assistance in its entirety and inserting in lieu thereof the following:

8 \* \* \* Findings and Purpose \* \* \*

9 **Second:** In Sec. 1, by striking out the section heading in its entirety and  
10 inserting in lieu thereof the following:

11 Sec. 1. FINDINGS AND PURPOSE

12 **Third:** In Sec. 1, by adding a new subsection (b) to read:

13 (b) While Vermont generally does an excellent job educating our children,  
14 we fall short in two critical areas. First, we are not as successful as we need to  
15 be in educating children from families with low income, and second, while we  
16 have a very high graduation rate from our high schools, not enough of our  
17 graduates continue their education. Fulfilling the goals of Act 46 is a critical  
18 step in addressing these shortcomings.

19 and by relettering the remaining sections to be alphabetically correct

20 **Fourth:** In Sec. 1, in relettered subsection (e), by striking out the last  
21 sentence in its entirety

1 **Fifth**: In Sec. 1, by adding a subsection (f) to read:

2 (f) This act is designed to make useful changes to the merger time lines and  
3 allowable governance structures under Act 46 without weakening or  
4 eliminating the Act’s fundamental phased merger and incentive structures and  
5 requirements. Nothing in this act should suggest that it is acceptable for a  
6 school district to fail to take reasonable and robust action to seek to meet the  
7 goals of Act 46.

8 **Sixth**: In Sec. 2, by striking out subsection (b) in its entirety and inserting  
9 in lieu thereof the following:

10 (b) The incentives provided under this act shall be available only if the new  
11 districts receive final approval of their electorate on or before November 1,  
12 2017. This section is repealed on July 1, ~~2017~~ 2019.

13 **Seventh**: By striking out Sec. 3 in its entirety and inserting in lieu thereof  
14 the following:

15 Sec. 3. THREE-BY-ONE SIDE-BY-SIDE STRUCTURE; EXEMPTION  
16 FROM STATEWIDE PLAN

17 (a) If the conditions of this section are met, the Merged District and the  
18 Existing District or Districts shall be exempt from the requirement under 2015  
19 Acts and Resolves No. 46, Secs. 9 and 10, to self-evaluate and make a proposal  
20 to the Secretary of Education and State Board of Education and from the State  
21 Board’s statewide plan.

1           (1) The new district is formed by the merger of at least three existing  
2           districts (Merged District) and, together with one or two existing districts (each  
3           an Existing District), are, following the receipt of all approvals required under  
4           this section, members of the same supervisory union (Three-by-One Side-by-  
5           Side Structure).

6           (2) As of March 7, 2017, town meeting day, each Existing District is  
7           either:

8                   (A) geographically isolated, due to lengthy driving times or  
9                   inhospitable travel routes between the Existing District's school or schools and  
10                  the nearest school in which there is excess capacity as determined by the State  
11                  Board of Education;

12                   (B) structurally isolated, because all adjoining school districts have  
13                   operating or tuitioning models that differ from the Existing District; or

14                   (C) unable to reach agreement to consolidate with one or more other  
15                   adjoining school districts because the school districts that adjoin the Existing  
16                   District have greatly differing levels of indebtedness per equalized pupil, as  
17                   defined in 16 V.S.A. § 4001(3), from that of the Existing District as  
18                   determined by the State Board of Education.

19           (3) The Merged District and each Existing District have, following the  
20           receipt of all approvals required under this section, a model of operating  
21           schools or paying tuition that is different from the model of each other;

1 provided, however, that if two Existing Districts are members of the Three-by-  
2 One Side-by-Side Structure, the Existing Districts may have the same model of  
3 operating schools or paying tuition if they are geographically isolated from  
4 each other, within the meaning of subdivision (2)(A) of this subsection. These  
5 models are:

6 (A) operating a school or schools for all resident students in  
7 prekindergarten through grade 12;

8 (B) operating a school or schools for all resident students in some  
9 grades and paying tuition for resident students in the other grades; or

10 (C) operating no schools and paying tuition for all resident students  
11 in prekindergarten through grade 12.

12 (4) The Three-by-One Side-by-Side Structure meets all criteria for RED  
13 formation other than the size criterion of 2010 Acts and Resolves No. 153,  
14 Sec. 3(a)(1) (average daily membership of at least 1,250) and otherwise as  
15 provided in this section.

16 (5) Each Existing District and the districts proposing to merge into the  
17 Merged District jointly submit a proposal to the State Board after the effective  
18 date of this section and demonstrate in their proposal that:

19 (A) the Three-by-One Side-by-Side Structure is better suited to them  
20 than a governance structure described in 2015 Acts and Resolves No. 46,  
21 Sec. 6 and will meet the goals set forth in Sec. 2 of that act;

1           (B) each Existing District meets one or more of the criteria set forth  
2           in subdivision (2) of this subsection (a):

3           (C) each Existing District has a detailed action plan it proposes to  
4           take to continue to improve its performance in connection with each of the  
5           goals set forth in 2015 Acts and Resolves No. 46, Sec. 2.

6           (6) Each Existing District and the districts proposing to merge into the  
7           Merged District obtain State Board approval of their proposal to form the  
8           proposed Three-by-One Side-by-Side Structure.

9           (7) Each Existing District obtains the approval of its electorate to be an  
10           Existing District in the proposed Three-by-One Side-by-Side Structure on or  
11           before November 30, 2017.

12           (8) The districts proposing to merge into the Merged District receive  
13           final approval from their electorate for the merger proposal on or before  
14           November 30, 2017, and the Merged District becomes fully operational on or  
15           before July 1, 2019.

16           (b) The districts that are proposing to merge into the Merged District may  
17           include:

18           (1) districts that have not received, as of the effective date of this  
19           section, approval from their electorate to merge; and

20           (2) districts that received, on or after July 1, 2010 but prior to the  
21           effective date of this section, approval from their electorate to merge but are

1 not operational as a Merged District as of the effective date of this section,  
2 regardless of whether the Merged District is eligible to receive incentives  
3 under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or  
4 2015 Acts and Resolves No. 46, each as amended.

5 (c) The formation of a Three-by-One Side-by-Side Structure shall not  
6 entitle the Merged District or an Existing District to qualify for the incentives  
7 provided in 2010 Acts and Resolves No. 153, Sec. 4. However, a Merged  
8 District that is otherwise entitled to incentives under 2010 Acts and Resolves  
9 No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46,  
10 each as amended, shall not lose these incentives due to its participation as a  
11 member of a Three-by-One Side-by-Side Structure.

12 **Eighth:** By striking out Sec. 4 in its entirety and inserting in lieu thereof the  
13 following:

14 Sec. 4. TWO-BY-TWO-BY-ONE SIDE-BY-SIDE STRUCTURE;  
15 REGIONAL EDUCATION DISTRICT INCENTIVES

16 (a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) that  
17 requires a single regional education district (RED) to have an average daily  
18 membership of at least 1,250 or result from the merger of at least four districts,  
19 or both, two or more new districts shall be eligible for the incentives provided  
20 in No. 153, Sec. 4 as amended by 2012 Acts and Resolves No. 156 and 2015  
21 Acts and Resolves No. 46 if:

1           (1) Each new district is formed by the merger of at least two existing  
2           districts (each a Merged District) and, together with an Existing District, are,  
3           following the receipt of all approvals required under this section, members of  
4           the same supervisory union (Two-by-Two-by-One Side-by-Side Structure).

5           (2) As of March 7, 2017, town meeting day, the Existing District is  
6           either:

7           (A) geographically isolated, due to lengthy driving times or  
8           inhospitable travel routes between the Existing District's school or schools and  
9           the nearest school in which there is excess capacity as determined by the State  
10          Board of Education;

11          (B) structurally isolated, because all adjoining school districts have  
12          operating or tuitioning models that differ from the Existing District; or

13          (C) unable to reach agreement to consolidate with one or more other  
14          adjoining school districts because the school districts that adjoin the Existing  
15          District have greatly differing levels of indebtedness per equalized pupil, as  
16          defined in 16 V.S.A. § 4001(3), from that of the Existing District as  
17          determined by the State Board of Education.

18          (3) Each Merged District and the Existing District, following the receipt  
19          of all approvals required under this section, have a model of operating schools  
20          or paying tuition that is different from the model of each other. These  
21          models are:

1           (A) operating a school or schools for all resident students in  
2 prekindergarten through grade 12;

3           (B) operating a school or schools for all resident students in some  
4 grades and paying tuition for resident students in the other grades; or

5           (C) operating no schools and paying tuition for all resident students  
6 in prekindergarten through grade 12.

7           (4) The Two-by-Two-by-One Side-by-Side Structure meets all criteria  
8 for RED formation other than the size criterion of 2010 Acts and Resolves  
9 No. 153, Sec. 3(a)(1) (average daily membership of at least 1,250) and  
10 otherwise as provided in this section.

11           (5) The Existing District and the districts proposing to merge into the  
12 Merged Districts jointly submit a proposal to the State Board after the effective  
13 date of this section and demonstrate in their proposal that:

14           (A) the Two-by-Two-by-One Side-by-Side Structure is better suited  
15 to them than a governance structure described in 2015 Acts and Resolves  
16 No. 46, Sec. 6 and will meet the goals set forth in Sec. 2 of that act;

17           (B) the Existing District meets one or more of the criteria set forth in  
18 subdivision (2) of this subsection (a); and

19           (C) the Existing District has a detailed action plan it proposes to take  
20 to continue to improve its performance in connection with each of the goals set  
21 forth in 2015 Acts and Resolves No. 46, Sec. 2.

1           (6) The Existing District and the districts proposing to merge into the  
2           Merged Districts obtain State Board approval of their proposal to form the  
3           proposed Two-by-Two-by-One Side-by-Side Structure.

4           (7) The Existing District obtains the approval of its electorate to be an  
5           Existing District in the proposed Two-by-Two-by-One Side-by-Side Structure  
6           on or before November 30, 2017.

7           (8) The districts proposing to merge into each Merged District receive  
8           final approval from their electorate for the merger proposal on or before  
9           November 30, 2017, and each Merged District becomes fully operational on or  
10           before July 1, 2019.

11           (9) Each Merged District has the same effective date of merger.

12           (b) The districts that are proposing to merge into the Merged Districts may  
13           include:

14           (1) districts that have not received, as of the effective date of this  
15           section, approval from their electorate to merge; and

16           (2) districts that received, on or after July 1, 2010 but prior to the  
17           effective date of this section, approval from their electorate to merge but are  
18           not operational as a Merged District as of the effective date of this section,  
19           regardless of whether the Merged District is eligible to receive incentives  
20           under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or  
21           2015 Acts and Resolves No. 46, each as amended.



1 of the State. In such situations, a supervisory union composed of multiple  
2 member districts, each with its separate school board, ~~can~~ may meet the State's  
3 goals, particularly if:

4 (1) the member districts consider themselves to be collectively  
5 responsible for the education of all prekindergarten through grade 12 students  
6 residing in the supervisory union;

7 (2) the supervisory union operates in a manner that complies with its  
8 obligations under 16 V.S.A. § 261a and that maximizes efficiencies through  
9 economies of scale and the flexible management, transfer, and sharing of  
10 ~~nonfinancial~~ resources among the member districts, which may include a  
11 common personnel system, with the goal of increasing the ratio of students to  
12 full-time equivalent staff;

13 (3) the supervisory union has the smallest number of member school  
14 districts practicable, achieved wherever possible by the merger of districts with  
15 similar operating and tuitioning patterns; ~~and~~

16 (4) the supervisory union has the smallest number of member school  
17 districts practicable after consideration of greatly differing levels of  
18 indebtedness among the member districts; and

19 ~~(4)(5)~~ the combined average daily membership of all member districts is  
20 not less than ~~1,100~~ 900.



1 form a study committee under 16 V.S.A. § 706b and to draft Articles of  
2 Agreement for the new district. During this period, the study committee shall  
3 hold at least one public hearing to consider and take comments on the draft  
4 Articles of Agreement.

5 (f) If the study committee formed under subsection (e) of this section does  
6 not approve Articles of Agreement within the 90-day period provided in that  
7 subsection, the provisions in the form of Articles of Agreement included in the  
8 statewide plan shall apply to the new district.

9 ~~(e)~~(g) Applicability. This section shall not apply to:

10 (1) an interstate school district;

11 (2) a regional career technical center school district formed under  
12 16 V.S.A. chapter 37, subchapter 5A; or

13 (3) a district that, between June 30, 2013 and July 2, 2019, began to  
14 operate as a unified union school district and:

15 (A) voluntarily merged into the preferred education governance  
16 structure, an Education District, as set forth Sec. 5(b) of this act; or

17 (B) is a regional education district or any other district eligible to  
18 receive incentives pursuant to 2010 Acts and Resolves No. 153, as amended by  
19 2012 Acts and Resolves No. 156.

1                   \* \* \* Deadline for Small School Support Metrics \* \* \*

2           Sec. 6c. 2015 Acts and Resolves No. 46, Sec. 21 is amended to read:

3                   Sec. 21. SMALL SCHOOL SUPPORT; METRICS

4                   On or before July 1, 2018, the State Board of Education shall adopt and  
5           publish metrics by which it will make determinations whether to award small  
6           school support grants pursuant to 16 V.S.A. § 4015 on and after July 1, 2019,  
7           as amended by Sec. 20 of this act; provided, however, that on or before  
8           September 30, 2017, the State Board shall publish a list of districts that it  
9           determines to be geographically isolated pursuant to that section as amended  
10          by Sec. 20 of this act.

11           Tenth: By striking out Sec. 7 (Self-Evaluation, Meetings, and Proposal) in  
12          its entirety and inserting in lieu thereof the following:

13          Sec. 7. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

14                  Sec. 9. SELF-EVALUATION, MEETINGS, AND PROPOSAL

15                  (a) On or before ~~November 30, 2017~~ the date that is the earlier of six  
16          months after the date the State Board's rules on Alternative Structures take  
17          effect or January 31, 2018, the board of each school district in the State that  
18          has a governance structure different from the preferred structure identified in  
19          Sec. 5(b) of this act (Education District), or that does not expect to become or  
20          will not become an Education District on or before July 1, 2019, shall perform

1 each of the following actions, unless the district qualifies for an exemption  
2 under Sec. 10(g) of this act.

3 \* \* \*

4 **Eleventh**: In Sec. 9, in subsection (e), by deleting subsection (e) in its  
5 entirety

6 **Twelfth**: By adding a new section, to be Sec. 17, to read as follows:

7 Sec. 17. QUALIFICATION FOR INCENTIVES; ASSIGNMENT TO A  
8 SUPERVISORY UNION BY THE STATE BOARD

9 Notwithstanding any requirement under 2015 Acts and Resolves No. 46,  
10 Secs. 6 and 7 that the newly formed school district be its own supervisory  
11 district, the newly formed school district shall qualify for the incentives under  
12 this section even if it is assigned to a supervisory union by the State Board of  
13 Education and that assignment by the State Board is not made at the request of  
14 the school district.

15 **Thirteen**: By adding four new sections, to be Secs. 18, 19, 20, and 21, with  
16 reader assistances, to read as follows:

17 \* \* \* State Board Rulemaking Authority \* \* \*

18 Sec. 18. 2015 Acts and Resolves No. 46, Sec. 8 is amended to read:

19 Sec. 8. EVALUATION BY THE STATE BOARD OF EDUCATION

20 \* \* \*



1 education income tax spending adjustment for the district's 2015 fiscal year by  
2 more than 100 percent.

3 (b) Notwithstanding any provision of law to the contrary:

4 (1) for the first year in which the consolidated district's equalized  
5 homestead tax rate or household income percentage is reduced under 2010  
6 Acts and Resolves No. 153, as amended, the equalized homestead tax rate and  
7 household income percentage for the town associated with the qualifying  
8 district shall be set at the average equalized homestead tax rate and household  
9 income percentage of the towns associated with the other districts that merge  
10 into the consolidated district; and

11 (2) 2010 Acts and Resolves No. 153, Sec. 4(a)(2), which limits the  
12 amount by which tax rates are permitted to change, shall not apply to the town  
13 associated with the qualifying district for the first year for which the  
14 consolidated district's equalized homestead tax rate or household income  
15 percentage is reduced under that act.

16 Sec. 20. MODIFIED UNIFIED UNION SCHOOL DISTRICTS; TAX RATE

17 CALCULATIONS

18 The tax rate provisions in 2010 Acts and Resolves No. 155, Sec. 13(a)(1),  
19 as amended, shall not apply to the calculation of tax rates in a member of a  
20 modified unified union school district (MUUSD) formed under 2012 Acts and  
21 Resolves No. 156, Sec. 17, as amended, if that member is a member for fewer

1 than all grades, prekindergarten through grade 12. This section shall apply to  
2 the calculation of taxes in any MUUSD that began full operation after July 1,  
3 2015.

4 \* \* \* Elections to Unified Union School District Board \* \* \*

5 Sec. 21. ELECTIONS TO UNIFIED UNION SCHOOL DISTRICT BOARD

6 (a) Notwithstanding any provision to the contrary under 16 V.S.A. § 706k,  
7 the election of a director on the board of a unified union school district who is  
8 to serve on the board after expiration of the term for an initial director shall be  
9 held at the unified union school district's annual meeting in accordance with  
10 the district's articles of agreement.

11 (b) Notwithstanding any provision to the contrary under 16 V.S.A. § 706l,  
12 if a vacancy occurs on the board of a unified union school district and the  
13 vacancy is in a seat that is allocated to a specific town, the clerk shall  
14 immediately notify the selectboard of the town. Within 30 days of the receipt  
15 of that notice, the unified union school district board, in consultation with the  
16 selectboard, shall appoint a person who is otherwise eligible to serve as a  
17 member of the unified union school district board to fill the vacancy until an  
18 election is held in accordance with the unified union school district's articles of  
19 agreement.

20 (c) This section is repealed on July 1, 2018.

1 and by renumbering the remaining section (Effective Date) to be numerically  
2 correct

3

4

5 (Committee vote: \_\_\_\_\_)

6

\_\_\_\_\_

7

Representative \_\_\_\_\_

8

FOR THE COMMITTEE